

SUMMARY

The Office of Natural Gas & Petroleum Import & Export Activities prepares quarterly reports showing natural gas import and export activity. Companies are required, as a condition of their authorizations, to file quarterly reports. This report is for the second quarter of 2001 (April through June).

Attachment A shows the percentage of takes to maximum firm contract levels and the weighted average per unit price for each of the long-term importers during the 5 most recent quarters.

Attachment B shows volumes and prices of gas purchased by long-term importers and exporters during the past 12 months.

Attachment C shows volume and price data for gas imported on a short-term/spot market basis.

Attachment D shows the gas exported on a short-term/spot market basis to Canada and Mexico.

Second Quarter Highlights: Changes in activity compared to the second quarter of 2000:

Canadian Imports	892.5 Bcf	up 8%
LNG Imports	74.3 Bcf	up 48.3%
Mexican Imports	2.1 Bcf	up 162%
Total Imports	968.9 Bcf	up 10%
Canadian Exports	35.1 Bcf	up 213%
Mexican Exports	26.5 Bcf	down 3%
Japanese Exports	15.0 Bcf	down 0.7%
Total Exports	76.6 Bcf	up 42.6%

Puerto Rican Imports	5.6 Bcf	(began July 2000)
----------------------	---------	-------------------

The Puerto Rican imports are shown in the tables above and on the next page, and in Attachment B-1. These imports are not reflected in any of the totals found on this page, as the summaries are only for trade pertaining to the continental U.S.

Prices continued to decline this quarter, settling from January's high prices of \$8.66 for long-term and \$9.72 for short-term imports. The average long and short-term import prices for this quarter were \$4.42 and \$4.71 per MMBtu, respectively. The notable increase in exports to Canada is mostly due to volumes exported on the Vector Pipeline which became fully operational in the fourth quarter 2000. One new long-term import authorization was activated, allowing for up to 48.5 Mcf per day to be imported at Calais, Maine, to fuel a 185 MW cogeneration facility near Backsport, Maine.

During the second quarter, 7 importers of LNG (BP Energy Co.; CMS Marketing; Distrigas Corp.; Duke Energy LNG; Enron LNG Marketing; Mirant Americas Energy Marketing; and Tractebel LNG) brought in 37 cargoes from 5 countries (Algeria, Nigeria, Oman, Qatar, and Trinidad), totaling 74.3 Bcf. This compares to 23 cargoes and 50.1 Bcf in the second quarter of 2000, and 23 cargoes and 60.6 Bcf last quarter.

Second Quarter Data: Comparing second quarter 2001 to second quarter 2000 data, total imports under long-term contracts decreased. **Natural gas imports under all long-term contracts** totaled 235.3 Bcf, compared to 352.7 Bcf in the second quarter of 2000. **Long-term Canadian imports** decreased 35 percent (213.2 v. 328.8 Bcf). The average price of this gas was \$4.55 per MMBtu, which is \$1.97 lower than the preceding quarter and \$1.40 or 44

percent higher than the second quarter of 2000. **Long-term LNG imports** decreased 7.5 percent compared to the second quarter 2000 (22.1 v. 23.9 Bcf). Distrigas imported 4.9 Bcf from Algeria at an average price of \$3.56 per MMBtu and 10.5 Bcf from Trinidad at \$3.36. Duke imported 6.7 Bcf from Algeria at \$2.52 per MMBtu.

During the second quarter, 98 companies used **short-term authorizations to import** 733.6 Bcf, which is a 40 percent increase over the second quarter of 2000 (524.2 Bcf). Of this total, 679.3 Bcf was **imported from Canada** at an average price of \$4.75 per MMBtu, compared to 498.3 Bcf at \$3.25 in the second quarter of 2000, and 750.3 Bcf at \$7.31 in the previous quarter. **Imports from Mexico** totaled 2.1 Bcf at an average price of \$5.10, compared to 0.8 Bcf at \$2.97 in the second quarter of 2000 and 5.0 Bcf at \$6.50 last quarter. **Short-term LNG imports** totaled 52.2 Bcf for the quarter, compared to 37.9 Bcf last quarter and 26.2 Bcf in the second quarter of 2000. Distrigas imported 8.2 Bcf from Trinidad at an average price of \$3.72 per MMBtu. Duke imported 1.0 Bcf from Algeria at \$2.53. CMS imported 1.5 Bcf from Trinidad at \$4.57; 2.5 Bcf from Algeria at \$4.15; 7.5 Bcf from Nigeria at \$4.84; and 9.9 Bcf from Qatar at \$4.79. BP imported 0.5 Bcf from Qatar at \$4.37; Enron imported 3.3 Bcf from Oman at \$3.69; Mirant imported 10.0 Bcf from Nigeria at \$4.58; and Tractebel imported 7.8 Bcf from Trinidad at \$3.75.

Short-term imports from Canada by point of entry:

Point of Entry	% of Imports	Wt. Avg. \$
Port of Morgan, MT	25	\$4.28
Eastport, ID	24	\$5.47
Sherwood, ND	19	\$4.57
Noyes, MN	10	\$4.32
Sumas, WA	9	\$4.94
Calais, ME	5	\$4.60
Niagara Falls, NY	3	\$4.84
Waddington, NY	2	\$4.78
Other	3	\$4.65

In addition, 17 **short-term export** authorizations were used to export 61.6 Bcf. Ten companies exported 35.1 Bcf to Canada at an average price of \$4.81 per MMBtu; 7 companies exported 26.5 Bcf to Mexico at \$6.24, and 15 Bcf of LNG was exported to Japan at \$4.21 (delivered).

Year to Date Data: Comparing the first 6 months of 2001 with the first 6 months of 2000, total gas imports increased 12 percent (2026.7 v. 1810.4 Bcf) and total gas exports increased 42 percent (162.1 v. 113.9 Bcf). Canadian imports increased by 166.8 Bcf or 10 percent (1884.7 v. 1717.9 Bcf); Mexican imports increased 51 percent (7.1 v. 4.7 Bcf); and LNG imports increased 54 percent (134.9 v. 87.8 Bcf). Exports to Canada increased 102 percent (73.7 v. 36.4 Bcf) and exports to Mexico increased 23 percent (58.5 v. 47.5 Bcf). LNG exports to Japan remained constant (29.9 v. 30.0 Bcf).

The quarterly report and future revisions to the report will reside on our Electronic Bulletin Board at (202) 586-7853 and on the Fossil Energy Web Site at <http://www.fe.doe.gov> (click on Gas Regulation). Any questions or comments about this report should be directed to Yvonne Caudillo at (202) 586-4587 or by E-mail at yvonne.caudillo@hq.doe.gov.